

Wisconsin Legislature: New GOP proposals would secure long-term fiscal responsibility, accountability

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MADISON, Wis.—A pair of proposals designed to enshrine fiscal responsibility and accountability in the state Constitution got a hearing in a state Senate committee today.

The first, [Senate Joint Resolution 84](#), authored by Sen. Dale Kooyenga (R-Brookfield) and Rep. Robert Wittke (R-Racine) would amend the state Constitution to restore to the Legislature the ability to decide how funding received from the federal government is spent.

For much of Wisconsin's early history, lawmakers had the final say over the spending of all funds in the state treasury, no matter their source. However, legislators abandoned that important responsibility during the Great Depression era as federal dollars began to compose a much larger share of state spending. During that time, the Legislature enacted a series of laws giving most authority over federal funds to the executive branch.

SJR 84 would return ultimate decision making responsibility to the legislature by requiring all initial appropriations of federal monies be approved by a joint committee of the legislature. By opening up billions of dollars in spending to the legislative process, lawmakers and the general public will have significantly more opportunity to have their voices heard and encourage a more accountable and efficient distribution of those funds.

The second, [Senate Joint Resolution 85](#), authored by Sen. Howard Marklein (R-Spring Green) and Rep. Terry Katsma (R-Oostburg) would require the state to

account for and report all funds it receives or expends in accordance with generally accepted accounting principles (GAAP). This set of strict accounting standards minimizes budgetary tricks and is required of local governments, school districts, and businesses.

The state has historically “balanced” its books by using cash-basis budgeting. Over the years, this has led to all kinds of creative techniques to balance the budget such as deferring payments to local governments, school districts and vendors.

Using cash-basis accounting is like spending on your credit card: you purchase gifts in December, but you don’t pay the bill until January. Under GAAP that expense is recorded when it is incurred, while the cash-basis would not recognize it until the bill is paid.

The timing is right to formalize the use of GAAP as a constitutional amendment. In 2010, the Wisconsin GAAP deficit stood at over \$2.9 billion, but by the end of 2020 that deficit was turned into a surplus for the first time since 1990. At the end of fiscal year 2021 the state had a GAAP surplus of nearly \$1.2 billion.

Wisconsin is one of 15 states that does not follow GAAP accounting for budgeting.

Both resolutions would need to pass two consecutive sessions of the Legislature, then be approved by voters in a statewide referendum before taking effect. Constitutional amendment resolutions are not subject to a veto by the governor.

Sen. Dale Kooyenga:

“Long ago, the legislature abandoned its responsibility to help decide where federal funding is spent. It’s time to restore the accountability that the legislative process brings. Neither of these proposals is about who is currently the governor, they’re about ensuring Wisconsin thrives long into the future by locking in fiscal responsibility and accountability today.”

Rep. Robert Wittke:

“Never before have we seen this much federal money pour into our state – it is, I believe, a defining moment in our state’s history – to have one person alone make the decision for where the money is spent just isn’t good governance no matter the political affiliation.”

Sen. Howard Marklein:

“We spent more than a decade responsibly budgeting to get Wisconsin out of a \$3 billion hole. This amendment will eliminate the temptation for future legislatures and governors to use budget gimmicks to balance the state budget. Local governments, school districts and businesses use GAAP accounting. The state should too.”

Rep. Terry Katsma:

“It took more than a decade of responsible, realistic budgeting and pro-growth policies to get to where we are today. While Washington keeps spending trillions of dollars that don’t exist, Wisconsin’s books are truly balanced for the first time in decades. Our proposals will help prevent ever returning to the bad old days of unsustainable spending.”